

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2727 - SB 2608

January 30, 2012

SUMMARY OF BILL: Requires that every two years, beginning January 1, 2013, the Board for Licensing Contractors (TBLC) adjust the penalty for engaging in the business of a contractor without a license. Requires the penalty to be adjusted to reflect the percentage of change in the average consumer price index for the two-year period immediately preceding. Requires the adjustment be rounded to the nearest multiple of \$10. Requires the Board for Licensing Contractors to publish each adjusted amount on its website.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$1,500/One-Time

Increase State Expenditures - \$1,500/One-Time

Assumptions:

- According to the Department of Commerce and Insurance (TDCI) and the Board for Licensing Contractors (Board), implementation of this bill will require a rulemaking hearing.
- According to TDCI, the rulemaking will result in a one-time increase in state expenditures of \$1,500 (\$500 court reporter fee + \$1,000 transcript).
- According to TDCI, the Board will temporarily increase licensing fees to sufficiently cover the one-time state expenditures. As a result, the one-time increase in state revenue is \$1,500.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. The Board had closing balances of \$2,074,844 in FY10-11, and \$1,581,060 in FY09-10.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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/sbh